

# Fixing the Fiscal 2000 Defense Budget

JIM GARAMONE

WASHINGTON — Modernization and readiness are two areas of concern to DoD, and the president has directed the Department to "fix" those areas in the fiscal 2000 budget, Defense Secretary William S. Cohen told the Senate Armed Services Committee Oct. 6.

Cohen told lawmakers the president directed him to work with the Office of Management and Budget, the National Security Council and Congress to fix readiness and modernization problems in the fiscal 2000 budget request.

"The temporary measures that we took were not adequate," he said. "It's important we send the signal to the men and women in uniform that we care about them, that we have indeed identified the nature of the problems, and now we've got to take constructive actions to deal with them."

Procurement is key to future readiness, Cohen said, and while the fiscal 1999 budget has more funding for procurement, the Department cannot reach its \$60 billion spending target unless it is allowed to close more bases or bust its budget.

"Without additional [base] closures, we will not achieve the \$20 billion in projected savings in the years where some major systems are scheduled to come on line," Cohen said. "If we don't achieve the savings, something has to give."

Under the current fiscal environment, this means DoD will have to cancel or scale back new systems. "There are no easy decisions," he said. "We can keep the status quo, but if we do, we are going to deprive the future and deprive our men and women who are serving in the military — from having the kind of systems they require."

Short-term readiness also needs Congress' attention, Cohen said. Four aspects affect readiness: the economy, pay, retirement, and operations tempo.

The U.S. economy is strong and going after the same quality young people the military needs, Cohen said. The propensity for young people to enlist is down, but, Cohen said, increased money to advertise may turn that around.

Cohen said the disparity between military and civilian pay comes up most often in his travels around the U.S. military. Servicemembers are concerned about this disparity, which, Cohen said, is between 13 and 14 percent.

Retirement is second only to pay as a source of concern to servicemembers, Cohen said. He said the Pentagon will work with Congress to change the system.

Finally, he said, the increased operations tempo of the post-Cold War world is hurting readiness. "Mechanisms have been put in place to try to deal with this," Cohen said. "We have been sending those that are called low-density, high-demand forces too often out in the field. We are wearing them down. And so, a better mechanism for finding out which units and which individuals in those units are being overused has been put in place."

During earlier testimony, senators castigated the Joint Chiefs of Staff for taking so long to bring readiness and modernization problems to their attention. Cohen told the senators to blame him. He said he made a political judgment that legislators would not give DoD more money, considering the balanced budget agreement between Congress and the executive branch.

Cohen said he tried to get as much money from efficiencies within the Department before going to Congress. "I believe [my judgment] was the right one at the time," he said. "I believe it was right for me to try to get as many efficiencies as possible from the [contracting out] competitions, from the base closures — which we didn't get — and from the reforming of the way in which we do business. I had to do that before I could justifiably come to you and say, 'Now we have to do more.'"

Editor's Note: This information is in the public domain at <http://www.defenselink.mil/news/> on the Internet.